

TEACHERS' RETIREMENT BOARD

BENEFITS AND SERVICES COMMITTEE

SUBJECT: Approval of Minutes of
January 14, 1999 Meeting

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: February 4, 1999

INFORMATION:

PRESENTER(S): Chairperson

Please see the attached minutes of the January 14, 1999 Benefits and Services Committee meeting.

PROPOSED

MINUTES OF THE
BENEFITS AND SERVICES COMMITTEE MEETING
OF THE
STATE TEACHERS' RETIREMENT SYSTEM
THURSDAY, JANUARY 14, 1999
ROBYN D. MILLER BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

COMMITTEE MEMBERS PRESENT

Yvonne Gallegos Bodle, Chairperson
Gary Lynes
Marty Mathiesen
Lillian Raffel
Emma Zink
Fred Buenrostro, representing the State Controller, Kathleen Connell
Richard Whitmore, representing the Superintendent of Public Instruction, Delaine Eastin

OTHER BOARD MEMBERS PRESENT

George Fenimore

STAFF PRESENT

James D. Mosman, CEO
Michael Carter, DCEO, Client Benefits and Services
Christopher W. Waddell, Chief Counsel
Laurence Martin, DCEO, Information and Financial Systems
Peggy Plett, DCEO, Administration
Jennifer DuCray-Morrill, Chief External Affairs Officer
Ken Costa, Director, START Project
Ed Derman, DCEO, External Affairs and Program Development Branch
Sandra Olivo, Chief, Disability and Survivor Benefits Division
Jan Vine, Executive Assistant

OTHERS PRESENT

Beverly Carlson, CTA
Loretta Toggenburger, UTLA
Lois Shive, CTA-Retired
Charles C. Giarratana, CTA
Carol J. Marshall, Retired Teachers for Equity and Fair Play
Margaret Wessels, Retired Teachers for Equity and Fair Play
Orrin Cross, Retired
Dan Schroepfer, CalPERS
Marilyn Boyd, CalPERS
C. Wallace

A quorum being present, Chairperson Bodle called the meeting to order at 8:40 a.m.

II. **APPROVAL OF MINUTES OF NOVEMBER 5, 1998**

MOTION duly made by Ms. Zink, seconded by Mr. Lynes, and carried to approve the Minutes of the Benefits and Services Committee meeting of November 5, 1998.

III. **ANNOUNCEMENTS**

There were none.

IV. **CONSENT AGENDA**

Ms. Olivo presented this item and requested the Committee adopt the Proposed Decision: Nancy Davis, Request for Approval of a Monthly Disability Allowance, Denied.

MOTION duly made by Ms. Zink, seconded by Mr. Lynes, and carried to adopt the Proposed Decision as presented.

V. **PROPOSED WARRANT STUB MESSAGES TO PROMOTE CalPERS LONG-TERM CARE PROGRAM**

Mr. Carter presented this item and requested the Committee adopt the Messages for March 1, 1999 and June 1, 1999.

MOTION duly made by Ms. Raffel, seconded by Ms. Zink, and carried to adopt the Proposed Warrant Stub Messages as presented.

VI. **CLIENT ADVISORY COMMITTEE REPORT**

Jennifer DuCray-Morrill presented this item and written materials were shared. Ms. DuCray-Morrill reported that the Client Advisory Committee (CAC) met several times over the last two months concerning modifications to the eligibility requirements of members for the enhanced benefits effective January 1, 1999 and conceptual agreement was reached that:

1. A member who retired in 1998 or first received a benefit in 1998 would automatically receive an increase in the allowance, beginning July 1, 1999, to bring the allowance up to the level that would have been received if the new benefit formula and the new unused sick leave provision had been in effect at the time of retirement.
2. A member who terminated a service or disability retirement allowance after 1998 and subsequently performed at least one year of creditable service, and whose total career equaled at least 30 years of credited service would, upon the subsequent retirement, receive a multiple retirement allowance similar to the one provided under current law. The only difference is that, under the proposal, the age factor on that original allowance would be increased by .2 percentage points, in recognition of the career bonus for accruing 30 or more years of service.

Carol J. Marshall, Retired Teachers for Equity and Fair Play spoke on behalf of teachers who retired in June 1997 and felt it was conceptually unfair for these retirees to not automatically receive the enhanced benefits as is proposed for the 1998 retirees. Ms. Marshall shared her written presentation with the Board. Orrin Cross, a 1997 retiree, also shared his views in support of 1997 retirees receiving the enhanced benefits. Beverly Carlson reiterated CTA's commitment to retired teachers and advocating benefits on their behalf, as well as the need to design programs that will encourage teachers to stay in or return to the classroom to support class size reduction.

Mr. Lynes encouraged all interested parties to attend the CAC meetings, which is an excellent opportunity to share their views and discuss the advantages and disadvantages of the various proposals.

Ms. DuCray-Morrill reported that an issue paper on creditable compensation has been developed and input from all the client organizations has been requested. Staff hopes to be able to present recommendations on this issue to the Board in six months.

VII. **WARRANT STUB MESSAGE – FEBRUARY 1, 1999**

Mr. Carter presented this item.

VIII. **LEVEL OF SERVICE STANDARDS**

Mr. Carter presented this item.

IX. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

Chairperson Bodle introduced Phil Angelides, the State Treasurer, and Tim Gage, the Director of Finance.

Ms. Raffel requested that the Committee postpone the Benefits and Services Closed Session until after the adjournment of the open session of the Teachers' Retirement Board meeting.

Margaret Wessels, a June 1997 retiree, spoke on the benefit package. She would like to see more done for the 1982-1997 retirees.

Mr. Lynes recommended that STRS better inform members on recent changes to their benefits, including the addition of option, ability to purchase out-of-state service credit and the ability to purchase airline.

Mr. Mosman stated that STRS continues to pursue enhanced benefits for the entire STRS population, that California is the only state that was successful with any kind of major benefit enhancement legislation last year and that STRS is very proactive in improving the benefit structure. Also, that the idea to retain teachers was initiated by the Legislature and the Governor, not STRS.

X. **ADJOURNMENT**

There being no further business to conduct, Chairperson Bodle adjourned the meeting at 9:30 a.m.

James D. Mosman, Chief Executive Officer
Secretary to the Teachers' Retirement Board

Yvonne Gallegos Bodle, Chairperson